

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
WISCONSIN PUBLIC SERVICE CORPORATION)	
for a power supply cost recovery reconciliation)	Case No. U-17672-R
proceeding for the 12-month period)	
ended December 31, 2015.)	
_____)	

At the November 7, 2016 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 29, 2016, Wisconsin Public Service Corporation (WPS Corp) filed an application, with supporting testimony and an exhibit, requesting approval of its power supply cost recovery (PSCR) reconciliation for the 12-month period ended December 31, 2015.

A prehearing conference was held on May 25, 2016, before Administrative Law Judge Mark D. Eyster (ALJ). WPS Corp and the Commission Staff participated in the proceedings. The ALJ granted intervenor status to Fibrek and Citizens Against Rate Excess. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that WPS Corp experienced a total 2015 overrecovery of \$206,520. This amount reflects the roll-in of the 2014 overrecovery authorized in Case No. U-17299-R, plus interest. The parties agree

that the total overrecovery of \$206,520 should be reflected as WPS Corp's 2016 PSR reconciliation beginning balance.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The 2015 power supply cost recovery reconciliation overrecovery of \$206,520 is approved.
- C. Wisconsin Public Service Corporation shall reflect the \$206,520 overrecovery amount as its 2016 power supply cost recovery reconciliation beginning balance.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscdockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of November 7, 2016.

Kavita Kale, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
WISCONSIN PUBLIC SERVICE CORPORATION)	Case No. U-17672-R
for a power supply cost reconciliation proceeding for)	
the 12-month period ended December 31, 2015.)	
<hr/>)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System's Administrative Hearing Rules, 2015 AC, 792.10431, Wisconsin Public Service Corporation ("WPS Corp" or the "Company"), Fibrek, Citizens Against Rate Excess ("CARE"), and the Commission Staff ("Staff") agree as follows:

1. On March 29, 2016, the Company filed with the Commission its application, testimony and an exhibit seeking authority to reconcile its power supply costs and revenues for the 12-month period ending December 31, 2015. In its application, WPS Corp requested authority to roll-in an overrecovery of \$206,520.

2. On May 2, 2016, the Commission's Acting Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its Michigan electric service area, as well as to intervenors in Case No. U-17299-R, U-17669 and U-17672. Furthermore, the Company was directed to publish the Notice of Hearing in daily newspapers of general circulation in its Michigan electric service area. On May 24, 2016, consistent with the Acting

Executive Secretary's directives, the Company electronically filed its affidavit of mailing and proof of publication.

3. On May 25, 2016, Administrative Law Judge Mark D. Eyster conducted the prehearing conference. The Company and Staff attended the prehearing conference. The petitions to intervene by Fibrek and CARE were granted.

4. Subsequently, the parties engaged in settlement discussions and agreed as follows:

a. The expenditures charged by WPS Corp for the cost of power supply were reasonably and prudently incurred for the 12-month period ending December 31, 2015, and the purchase practices followed by the Company comport with the 2015 PSCR Plan as approved by the Commission in Case No. U-17672.

b. WPS Corp experienced a total overrecovery of \$206,520 during the period ending December 31, 2015. This amount reflects the roll-in of the 2014 overrecovery of \$263,681 authorized in Case No. U-17299-R, and interest.

c. It is agreed that WPS Corp shall reflect the \$206,520 overrecovery as the 2016 PSCR reconciliation beginning balance.

5. All the parties are of the opinion that this Settlement Agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and will aid in the expeditious conclusion of this case.

6. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under Michigan Rule of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the

Settlement Agreement or the Commission shall make any reference to, or use this Settlement Agreement nor the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

7. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-17672-R. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this Settlement Agreement.

8. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, it shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation position of any party.

All parties agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

WISCONSIN PUBLIC SERVICE CORPORATION

Sherri A.

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman C = AD O =
MillerCanfield
Date: 2016.10.03 09:09:04 -05'00'

Dated: October 3, 2016

By: Wellman

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 483-4954

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: October 3, 2016

By: 

One of Its Attorneys
Amit T. Singh (P75492)
Bryan A. Brandenburg (P77216)
Assistant Attorneys General
Michigan Public Service Commission
7109 W. Saginaw Hwy.
3rd Floor
Lansing MI 48917
(517) 284-8140

FIBREK

Richard J.
Aaron

Digitally signed by: Richard J. Aaron
DN: CN = Richard J. Aaron email =
raaron@dykema.com C = US O =
Dykema Gossett PLLC
Date: 2016.10.06 15:26:34 -05'00'

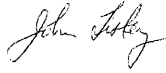
Dated: October 3, 2016

By: Aaron

One of Its Attorneys
Richard J. Aaron (P35605)
Jason T. Hanselman (P61813)
Courtney F. Kissel (P74179)
Dykema Gossett P.L.L.C.
Capitol View
201 Townsend Street, Suite 900
Lansing MI 48933
(517) 374-9100

CITIZENS AGAINST RATE EXCESS

Dated: October 3, 2016



Digitally signed by John
R. Liskey
Date: 2016.10.12
11:17:06 -04'00'

By: _____

One of Its Attorneys

John R. Liskey (P31580)

Constance De Young Groh (P73590)

John R. Liskey Attorney At Law, PLLC

921 N. Washington Ave.

Lansing MI 48906

(517) 913-5105

27574711.1\130072-00087